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**USE OF EMPLOYMENT STATISTICS IN THE NATIONAL
ACCOUNTS OF THE RUSSIAN FEDERATION¹**

**Submitted by the Statistical Committee of the
Russian Federation (Rosstat)**

This meeting is organized jointly with Eurostat and OECD.

1. Labour inputs in the production of goods and services for all types of jobs are estimated in accordance with the recommendations of the International Labour Organization using three indicators:

- Number of jobs;
- Total hours worked in a year;
- Full-time equivalence.

¹ Prepared by Rosstat at the invitation of the secretariat.

2. Labour input indicators are created for main and extra jobs and for all jobs combined. Calculation of labour input indicators is based on an estimation of the number of jobs and the average hours worked in a particular job, for all types of jobs.
3. Labour inputs are estimated by type of economic activity on the basis of the integration of employment data from the various sources and the average hours worked in a year.
4. The main sources of information for obtaining labour input indicators are: population employment surveys, surveys of organizations/bodies corporate, data from special statistical surveys, and administrative sources of information. In particular, use is made of information from tax authorities that provides the number of registered natural persons engaging in entrepreneurial activities (including heads of farms), without forming a corporate body, the number of notaries with a private practice, the number of hired labourers who work for individual entrepreneurs and natural persons, whose earnings are subject to the single social tax.
5. The population employment survey provides the most complete information about employment in the production of goods and services.
6. The population employment survey is conducted on a quarterly basis in all constituent entities of the Russian Federation. The survey is carried out using samples, and the results are subsequently applied to the entire segment of the population in the age group surveyed. The population employment survey covers persons between the ages of 15 and 72 living in private households.
7. The survey includes any remunerated work (or income-generating activity) that the respondents engaged in during the week being surveyed, even if such work consisted of only one hour in the week.
8. Data on hours worked on the basis of the results of the population employment surveys are compiled from a week of work. When such data are used in integrated calculations of total labour inputs, the average hours worked in a week are converted into an annual average.
9. Data on the number of jobs and average hours worked in a week, calculated on the basis of one job, are generally compiled by economy, type of activity and constituent entity of the Russian Federation.
10. The number of jobs and hours worked are estimated for the civilian population by main and extra jobs and by job categories.
11. The procedure for integrating data on employment and hours worked that are obtained from population employment surveys, surveys of organizations, and other sources of information requires that data on employment and hours worked that are obtained from different sources be converted into a form in which they can be compared; it also presupposes the estimation of indicators of employment and hours worked by individual types of work and for all types of work combined.

12. The existing methodological discrepancies in the formation of employment indicators in surveys of organizations/bodies corporate and population surveys generally concern the period under consideration, the composition of categories of the employed population, and the procedure for taking account of the population in the creation of a territorial profile (i.e., by place of work or place of residence).
13. Labour input indicators are used in national accounts for calculating production output for individual types of activity in which small businesses figure prominently, with a view to estimating the volume of non-market services, in assessing labour productivity trends.
14. Difficulties in the use of labour statistics data and, in particular, workforce surveys, are due to the fact that, at the level of “pure” types of activity (“product groups”), labour input indicators cannot always be compared with output indicators for pure types of activity.
15. One reason for this situation is that, during the reporting period, the employees of an enterprise may engage in work involving various types of activity but their labour inputs will be assigned to the type of activity that corresponds to the main type of activity of the establishment in which they are employed, or to the type of activity in which they predominantly engaged during the reporting period.
16. Inaccuracies in classifying employees by type of economic activity when conducting population employment surveys may be explained by the fact that respondents cannot always correctly define the type of activity of the unit or organization where they worked. Moreover, the representativeness of such sample surveys decreases when there is a lower degree of aggregation of the classification groups.
17. At the same time, an analysis of the indicators of labour input trends shows that, in the sections and subsections of the Russian Classification of Types of Economic Activity, the results of the measurements are not contradictory.
18. In 2005, Rosstat developed a methodology for estimating labour productivity trends. This methodology is based on the recommendations of the OECD manual entitled “Measuring Productivity: Measurement of Aggregate and Industry-Level Productivity Growth” and Rosstat’s current information base.
19. The aim of this methodology is to calculate indicators that reflect changes in labour productivity over time, not to make an international comparison of productivity levels. The recommendations are geared to solving the immediate tasks involved in introducing into Russian statistical practice labour productivity statistics calculated within the framework of the Russian Classification of Types of Economic Activity. These recommendations concern the calculation of labour productivity within the production limits of the system of national accounts (SNA). In this regard, emphasis is placed on the branch in which market production predominates.

20. The gross domestic product (GDP) is used in calculating labour productivity trends for the economy as a whole, while output for “pure” types of activity is used for types of activity. For the economy in general, preference is given to GDP rather than to output, since GDP depends less on changes in the correlation between intermediate production inputs and labour inputs, or on the degree of vertical integration. The aim of the labour productivity indicator calculated on the basis of output is to reflect labour requirements for a unit of physical output. Such an indicator is used in assessing industrial labour requirements.

21. Labour productivity is estimated on an annual basis using the prices of the preceding year. Only indicators of trends in labour productivity are published.
